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TWO REGIONS, TWO PATHS

As an auditor and consultant, I have spent the past 30 years traveling across Slovakia. Over time, I have become convinced that a strong Slovakia must be built on strong regional centers: Bratislava, Žilina, the Košice–Prešov metropolitan area, and the Banská Bystrica–Zvolen conurbation.

For many years, I have closely followed the remarkable transformation taking place in Eastern Slovakia. After opening our office in Banská Bystrica in September 2024, I began reflecting more frequently on the future of the Banská Bystrica region. The comparison between these two regional centers offers several valuable lessons.

KOŠICE REGION: THE POWER OF THREE PILLARS

For decades, the region's economy revolved around the steel industry, first through VSŽ and later through U.S. Steel. While the company provided economic stability, it also created a degree of dependence on a single sector. Over the past two decades, however, Košice has successfully diversified its economy and built a model based on three complementary pillars.

The second pillar is the IT sector. When the Košice IT Valley cluster was established in 2007, fewer than 1,000 IT professionals worked in the region. By 2023, that number had exceeded 15,000. The sector offers above-average salaries, strengthening purchasing power and stimulating the growth of local services and businesses.

This success story did not happen by accident. Around twenty years ago, Jozef Ondáš, one of the key figures behind the establishment of T-Systems Slovakia, recognized that sustainable growth would require a strong ecosystem. He therefore

initiated the creation of IT Valley, bringing together companies, universities, and local government. The result was a coordinated, long-term effort to build an innovation cluster that continues to thrive today.

The third pillar is currently under construction. Volvo's new manufacturing plant in the Valaliky Industrial Park represents an investment of approximately EUR 1.2 billion. The facility is expected to directly employ 7,200 people, while indirect effects could generate as many as 16,000 additional jobs throughout the region. Full-scale production is scheduled to begin in 2027.



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This development would not be possible without Košice's educational infrastructure. The Technical University of Košice (TUKE), ranked among the world's leading universities in the QS World University Rankings, actively develops talent pipelines aligned with industry needs. The relationship between TUKE, IT Valley, and Volvo is not a coincidence, it is a carefully built ecosystem.

The region also benefits from improving transport infrastructure. The opening of the R2 Košické Oľšany section in 2025, together

with the D1 motorway, created a southeastern bypass around the city, significantly improving logistics and supporting future industrial development.

Košice possesses another advantage that often goes unnoticed outside the region: human capital from Ukraine. TUKE hosts more Ukrainian students than any other Slovak university, while many Ukrainian refugees have settled in the Košice region. More than half of these newcomers hold university degrees, providing an important source of skilled labor.

BANSKÁ BYSTRICA REGION: POTENTIAL WITHOUT A CATALYST

The Banská Bystrica region ranks among the least developed regions in Slovakia, with one of the country's highest unemployment rates, lower-than-average wages, and a declining share of national GDP. Five of its thirteen districts are classified as among the least developed in Slovakia.

Unlike Košice, the region lacks a strong cluster-based connection between academia and industry. Matej Bel University produces high-quality graduates, yet many leave the region after completing their studies. The Technical University in Zvolen has a strong tradition, but its focus remains relatively specialized, particularly in forestry, wood processing, and environmental sciences.

Demographic trends further highlight the contrast with

Košice. While Eastern Slovakia has attracted Ukrainian students and professionals who strengthen its labor market, the Banská Bystrica region has benefited far less from this inflow of talent. Given the ongoing outflow of its own graduates, this represents a growing disadvantage.

Transport connectivity is another challenge. Banská Bystrica lies outside Slovakia's main D1 motorway corridor. While the R2 expressway provides connections toward Nitra, Trnava, and Bratislava, links to northern and eastern Slovakia remain less suitable for high-capacity freight transport by road or rail. Business travel by train remains time-consuming and inconvenient.

An additional issue is the underutilized potential of the Banská Bystrica–Zvolen metropolitan area. With a combined population of between 125,000 and 200,000 inhabitants, it represents Slovakia's third-largest urban center. Yet the two cities have not fully developed a common vision for their future growth.

To its credit, the regional government under Governor Ondrej Lunter has launched a Regional Innovation Strategy in cooperation with the European Commission, the World Bank, and Matej Bel University. The region has also invested heavily in school modernization and reconstructed more than 700 kilometers of roads.

Yet one crucial ingredient is still missing: an anchor

investor capable of validating the region's potential and attracting a broader ecosystem of suppliers, service providers, and talent. Green technologies, an area closely linked to the expertise of the Technical University in Zvolen, could potentially become the foundation for such a transformation.

LESSONS FOR THE FUTURE

Košice demonstrates how a region can fundamentally transform itself within a period of 15 to 20 years through strategic cooperation, ecosystem building, and long-term vision. For Banská Bystrica, three key questions remain:

Can Banská Bystrica and Zvolen develop stronger cooperation in transport, education, and regional planning?

Can the region attract a major investor capable of creating a broader ecosystem of suppliers, strengthening employment, and deepening cooperation between local government, academia, and business?

And can Matej Bel University and the Technical University in Zvolen work more closely together to develop study programs that provide the mix of talent future investors will require?

The answers to these questions may determine whether the region can unlock its considerable potential and become Slovakia's next regional success story.